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60. (Amended) A method of activating a prepaid card having a unique identification number encoded on it, the identification number [including] comprising a bank identification number approved by the American Banking Association for use in a banking network, the method comprising the steps of:

- a. swiping the card through an ^{unmodified} existing standard point-of-sale device;
- b. transmitting the identification number and an activation amount from the point-of-sale device to a processing hub; and
- c. activating an account in the processing hub corresponding to the identification number.

REMARKS

This paper is responsive to an Office Action dated April 19, 1999. Claims 1-66 are pending in the case, and stand rejected variously under 35 U.S.C. §§ 102 and 103. This Amendment is directed at modifying the independent claims to include a limitation which further distinguishes the claimed invention over the prior art of record and to effectuate stylistic changes to certain independent claims. As presently amended, it is believed by the undersigned that the claims are in conditioned for allowance, and reconsideration of this case in light of this amendment and the remarks below is respectfully requested.

The Undersigned wishes to thank the Examiner for the many courtesies extended during a telephonic interview conducted over two days on June 21st and June 24th, 1999. During that interview a Proposed Amendment forwarded to the Examiner via telefax on June 14, 1999 was discussed, as was the Stimson reference described below. The Examiner and the undersigned have reached agreement, for which the undersigned thanks the Examiner, that the claims as herein amended distinguish over Stimson since Stimson fails to teach the incorporation of an ABA approved bank identification number as part of the card identification number of a card to

be activated, nor does it teach the activation or use of a phone card (or any of the single or multi-function cards as described and claimed) that contains an ABA approved bank identification number through a banking network, which banking network necessarily, by virtue of its being a banking network, incorporates and utilizes a bank processing hub. As discussed and agreed, the Stimson system cannot function in an existing banking network, since Stimson lacks the critical feature of the bank identification number on the card which permits access to the banking network. These agreed upon points are also discussed further below.

Before turning to the substantive rejections, the undersigned respectfully provides this initial introduction to the amendments effectuated by this paper and a brief discussion of the present invention. The present invention is directed at a multifunction card system which may be flexibly deployed in a variety of applications, including a phone card, a medical card, an electronic gift certificate and/or a royalty card, for example. Among the novel features that distinguish the present invention over the prior art is the fact that the system of the present invention is specifically intended to be deployed over an existing banking network which, as is recognized by those of skill in the art, requires that cards deployed in such a system have associated with them an identifying number which includes at least in part a bank identification number. Bank identification numbers are assigned by the American Banking Association (ABA) for use in industry standard banking transactions over existing banking networks such as those utilized in the processing of credit card (e.g. Visa, MasterCard, American Express), and debit cards issued by banks. By utilizing the ubiquitous existing banking network, custom software is not necessary at the activating location where the card is either activated or utilized to gain information. Thus, existing point-of-sale devices known in the art for processing credit card and/or debit card transactions can be utilized without modification. This is of great benefit over the systems of the prior art since no additional programming is required in the device at the point

of sale. This additional programming is required so that the point of sale device can reach network devices outside the banking network. The prior art necessity for custom programming at the point of sale suffers from the disadvantage of additional overhead, additional expense and programming, and the possibility, if not the likelihood that such custom programming could be corrupted or rendered obsolete by the overarching standards imposed by the financial processing institution which controls the use of point-of-sale devices in a banking network. Specifically, this custom programming can be overwritten if the financial institution changes the program of the point of sale device. The art of record accentuates the inability of prior art systems to use the existing banking network already established at every retailer that takes credit cards. *Thus, the present invention recognizes, and claims, the unique advantage of providing a system which can be used flexibly with a variety of different encoded cards that include, as part of the information contained on the card, a unique identification number which includes a bank identification number approved by the ABA for use in a banking network, thus allowing the existing point of sale system in place at a retailer, and the existing banking network and existing bank processing hubs, to be used to activate or recharge phone cards, electronic gift certificates and other card types and functionality described and claimed in the instant application. No such feature is taught, described or suggested in any of the prior art references of record, which are all directed to solutions independent of the banking network.*

Turning now to the substantive rejections, claims 16, 17, 23, 26-28, 57, and 60-65 stand rejected under 35 U.S.C. § 102 as being anticipated by Stimson, a reference originally cited by the Applicant. It is the Examiner's contention that the Stimson reference provides a teaching of all of the limitations in the aforementioned claims. Without conceding the correctness of this assertion, the Applicant respectfully directs the attention of the Examiner to the amendments made herein to independent claims 16, 23, 27, 57 and 60. In each of the aforementioned

amended claims, the claim includes the limitation that the identification number contained on the card comprises a bank identification number that is approved by the American Banking Association for use in a banking network. Stimson does not teach such a limitation (nor for that matter does any other reference of record) and thus by failing to teach each limitation as claimed cannot act as a proper anticipatory reference.

Specifically, Stimson teaches the utilization of custom software at a point of sale location for activating prepaid phone cards. Stimson also requires, and accordingly teaches, that the network and host computer which serves the back end function of activating the phone card is not part of a banking network. This is so because the Stimson reference is completely devoid of mentioning the feature as presently claimed, that is the requirement that the identification number contained on the magnetic card contain a bank ID number approved by the ABA. Thus, there is no teaching or suggestion that Stimson, or any other reference, that the electronic card be of a type that can be readily used in an existing banking network using existing bank processing hubs. It is respectfully submitted that in the absence of such a teaching or suggestion, Stimson is not a proper anticipatory reference. Nor does the Stimson reference render any of the aforementioned claims obvious. As mentioned above, there is no teaching or suggestion in Stimson or any other reference to incorporate a bank identification number approved by the ABA on the magnetically encoded or otherwise encoded card. Moreover, nowhere in the Stimson reference is there a teaching or suggestion that a banking network capable of recognizing ABA approved bank identification numbers may be utilized for carrying out the functions taught by Stimson. Thus, because Stimson teaches the use of customized software requiring modification of existing point of sale devices, and provides no teaching of the use of ABA approved bank ID numbers, a person of skill would not be motivated by the Stimson reference, or any other reference in combination with Stimson, to provide the missing ABA approved bank identification number required by the

present invention as presently claimed. Thus, it is respectfully submitted that the Stimson reference could not render the aforementioned claims invalid on obviousness grounds.

In light of the above, it is respectfully urged that the aforementioned rejections under 35 U.S.C. § 102 be withdrawn and notification of allowance of the aforementioned claims issue forthwith.

Claims 32 and 33 stand rejected under 35 U.S.C. § 102 as being allegedly anticipated by the Pritchard reference. The Examiner alleges that each of the elements contained in the aforementioned claims are taught by the Pritchard reference. The Examiner's attention is respectfully directed at claims 32 and 33 as amended and specifically to the fact that the aforementioned claims now require the limitation that the identification number encoded on the card comprise a bank identification number approved by the ABA for use in a banking network. There is no suggestion or teaching in the Pritchard reference, nor any other reference of record, that the debit/medical services card described in Pritchard have a unique identification number encoded on it which comprises an ABA approved bank identification number for use in a banking network. Thus, since Pritchard does not teach or suggest each and every element of the aforementioned claims, Pritchard cannot act as a proper anticipatory reference under 35 U.S.C. § 102.

Nor would Pritchard render claims 32 and 33 obvious since there is no teaching or suggestion to provide the missing means in the Pritchard reference, nor is there motivation to combine Pritchard with any other reference of record, notwithstanding the fact that no other reference of record teaches the use of bank identification numbers approved by the ABA for use in a banking network. Indeed the Pritchard reference is completely devoid of any mention of the use of a banking network or any requirement that the identification number of the debit/medical services card disclosed in Pritchard be utilized in an environment requiring an ABA approved

bank identification number as part of the information contained on debit/medical services card, for use in a banking network. In light of the above, it is respectfully urged that the rejections under 35 U.S.C. § 102 as the claims 32 and 33 be withdrawn, and notification of allowance of these claims issue forthwith.

Turning next to the obviousness rejections made by the Examiner, claims 18 and 19 stand rejected under 35 U.S.C. § 103 as being unpatentable over the aforementioned Stimson reference. The Applicant directs the Examiner's attention to the discussion of the Stimson reference above as applicable to the present rejection. Specifically, for the same reasons cited above, Stimson cannot render claims 18 or 19 obvious since there is no teaching or suggestion in Stimson that the unique identification number encoded on the card comprise a bank identification number approved by the American Banking Association for use in a banking network. Thus, while the Examiner is correct that the instant specification at page 7 discusses the fact that the digits four and five 5 are commonly known first digits of ABA approved bank identification numbers, such a fact in light of the Stimson reference does not render the instant claims obvious since Stimson contains no teaching or suggestion that the identification number on the magnetically encoded card of Stimson should contain any bank identification number ABA approved for use in a banking network, much less the digits four or five. The Examiner further alleges at page 4 of the Office Action that Stimson discloses terminals "well known to be integrated into the banking network". The undersigned respectfully points out that the data terminals described in Stimson in the passages cited by the Examiner are customized to incorporate the features taught in Stimson for use in a non-banking network. Nowhere in Stimson is it taught or suggested that the identification numbers contained on the cards taught by Stimson incorporate an ABA approved bank identification number for use in a banking network. Absent a teaching of the incorporation of a such specific identification number for use in an art-

recognized banking network, an artisan would not recognize Stimson's custom programming solution as incorporating the concept of utilizing the existing banking network to activate phone cards by incorporating an ABA approved bank identification number as part of the identification number encoded on the phone card. Thus while Stimson discusses at column 6, lines 41-44 that his terminals "interact" with a main processor 54 operated by a host computer 56 via any of a variety of types of interconnecting networks 58 for example, a telephone network", this is not a description of the banking network as claimed in the instant invention but merely a recitation of the types of interconnections that might be achieved between the terminal and host computer in the custom solution taught by Stimson. Indeed, in stark contrast to the Examiner's assertion, the banking network could not be utilized to implement the system taught by Stimson since Stimson does not teach the incorporation of an ABA approved bank identification number as part of his magnetically encoded card, and without which the banking network processing hubs could not route a transaction through the banking network. Thus, it is respectfully submitted that there is no teaching or suggestion in Stimson of the invention as presently claimed in amended claims 18 and 19, nor is there any motivation to combine the Stimson reference with any of the other references of record, all of which are nonetheless devoid of any teaching or suggestion themselves of utilizing ABA approved bank identification numbers on cards which may be activated using the existing banking network. In light of the above discussion, it is respectfully urged that the rejections of claims 18 and 19 of the 35 U.S.C. § 103 be withdrawn, and notification of the allowance of these claims issue forthwith.

Additionally, claims 1-5, 8-11, 34-44, 46 and 50-54 stand rejected under 35 U.S.C. § 103 as being unpatentable over the Stimson reference discussed above and Nguyen et al. The Examiner's attention is directed to the discussion of the Stimson reference above as being pertinent here, and not requiring repetition. In addition to the deficiencies cited above in

connection with the Stimson reference, the Examiner has also recognized that Stimson does not disclose that his card may be used as an electronic gift certificate. The Examiner, however, contends that the Nguyen reference teaches that prepaid telephone cards may function as gift certificates, citing column 2, lines 45 plus of the Nguyen reference. The undersigned respectfully submits that such an interpretation is incorrect.

Initially, it is noted that the Examiner has made this combination of references without any citation to a portion of either reference which contains the motivation for one skilled in the art to make such a combination. Absent a motivation in the references themselves to make the combination, it is respectfully submitted that such a combination is improper. Yet notwithstanding the impropriety of such a combination, the undersigned further contends that Nguyen does not in fact teach that a phone card may also be used as a gift certificate. Referring to the Nguyen reference, and specifically to that portion cited by the Examiner in the Office Action, it is respectfully submitted that the section cited by the Examiner recites the use of the prepaid phone card taught by Nguyen for "a variety of gift and promotional purposes" including imprinting the cards with "advertising material for distribution to potential customers, such as patrons at a convention". It is respectfully submitted that the aforementioned passage from Nguyen relied on by the Examiner is merely a recitation of the use of the Nguyen prepaid phone card as a gift or promotional item, not the use of the Nguyen electronic card as an electronic gift certificate as taught by the present application. Specifically, an electronic gift certificate is a card which can be used in lieu of cash to purchase items at one or more retailers. Thus a gift certificate takes the place of money for use at a particular one or more retail locations. This electronic gift certificate function is described in the instant specification at pages 11-12. Thus it is respectfully pointed out that the Nguyen reference, contrary to the Examiner's assertion, does not teach that a prepaid phone card used to make telephone calls may also function as an

electronic gift certificate as presently claimed, but rather Nguyen merely teaches a prepaid phone card, good only for obtaining phone service, being given as a gift. The distinction is not subtle, as the two items are completely different in functionality and result, since a prepaid phone card given to a person as a gift as taught by Nguyen is good only to obtain phone service and does not permit that person to go to a retailer and use that prepaid phone card to purchase goods in lieu of cash. For this additional reason, the combination of Stimson and Nguyen, even if proper, would not yield the invention as presently set forth in the presently amended claims.

In addition to the Nguyen reference failing to teach or suggest the use of a prepaid phone card as an electronic gift certificate, Nguyen also fails to teach or suggest the inclusion of an ABA approved bank identification number as part of the information contained on the prepaid phone card of Nguyen. Thus, even if the combination of Stimson and Nguyen were somehow motivated by the contents by either of those references, which the undersigned respectfully contends is not case, the resultant combination would still not provide a teaching of the aforementioned claims as presently amended to include the ABA approved bank identification number. Accordingly, it is respectfully requested that the rejections under 35 U.S.C. § 103 to claims 1-5, 8-11, 34-44, 46 and 50-54 be withdrawn, and notification of allowance of these claims issue forthwith.

Additionally, claims 6, 7, 12-15, 45, 47-49, 55 and 56 stand rejected as being unpatentable over the above discussed Stimson and Nguyen references as applied to independent claims 1, 34 and 50 and further in view of the Taylor reference cited by the Applicant. The Examiner contends that the combination of these three references renders the aforementioned claims obvious. The undersigned refers to the discussion above as it relates to the combination of Stimson and Nguyen as pertinent here, and not warranting repetition. Thus, for the same reasons as recited above, the combination of Stimson and Nguyen cannot render the

aforementioned dependent claims, which depend from newly amended independent claims as presented herein, obvious. Moreover, just as is mentioned above, the Examiner has pointed to no portion of Stimson or Nguyen or Taylor, to motivate a person skilled in the art to make the three-reference combination formed by the Examiner to reach the obviousness rejection put forth in connection with the aforementioned claims. Absent such a motivation, which the Examiner has not pointed out, such a combination is improper. However, even if such a combination were proper, which it is not, the proposed Stimson/Nguyen/Taylor combination would not render the aforementioned claims obvious since the three-part combination still fails to teach the use and inclusion of a bank identification number approved by the American Banking Association for use in a banking network, as required by the presently amended claims. This missing element is not taught or suggested by Taylor, nor, as mentioned above, is it taught by Stimson or Nguyen. Thus the combination fails to render obvious the invention as presently claimed. In Taylor, an electronic card is taught which acts as a variety of different cards by maintaining an on-card database of multiple account numbers of a user and which also can be utilized to track loyalty points such as airline bonus miles. Taylor contains no teaching or suggestion of incorporating bank ID numbers approved by the ABA for using a banking network to carry out the loyalty point transactions described in column 5, lines 29-32 of Taylor as cited by the Examiner. Nor is there any teaching or suggestion in either Stimson or Nguyen of the desirability of utilizing the prepaid phone cards described in those references for tracking loyalty points. It is respectfully submitted that the Examiner has utilized impermissible hindsight reconstruction by utilizing the teachings of the present invention as motivation for the combination of the three cited references. Accordingly, it is respectfully submitted that the rejections to claims 6, 7, 12-15, 45, 47-49, 55 and 56 under 35 U.S.C. § 103 should be withdrawn, and notification of allowance of these claims issue forthwith.

Further, claims 20-22, 24, 25, 29-31 and 66 stand rejected under 35 U.S.C. § 103 as being allegedly unpatentable over the aforementioned Taylor and Stimson references in view of each other. The undersigned refers the Examiner to the discussion concerning Stimson and Taylor and specifically to the lack of motivation in either reference performing the combination of the two, which the undersigned contends is an improper combination based on an absence of motivation in the references to form the combination. As mentioned above, even if such a combination were proper, which it is not, the rejected claims would not teach or suggest all of the elements of the presently amended claims which now include the requirement that the identification number contained on the card of the present invention comprise a bank identification approved by the American Banking Association for use in a banking network. Thus, even if the combination proposed by the Examiner were made, it could not render the presently amended claims, nor those dependent therefrom, obvious. Further, as the Examiner recognizes, Stimson does not teach or suggest the use of the Stimson card as a loyalty card. The Examiner contends, however, that Taylor discloses such a function and that the combination would be obvious to the person of ordinary skill "because such a modification would have been useful for promotional purposes". The Examiner further contends that the combination renders the claims obvious because "such a modification of Stimson (using the teachings of Taylor) would be advantageous in tracking the number of purchases made of particular good or service by a customer". The Examiner, however, it is respectfully submitted, fails to identify where in either the Stimson or Taylor reference the motivation for making the aforementioned modifications exist. As mentioned, absent some teaching or suggestion in the references themselves for making a combination, such a combination is improper and cannot be applied for rendering the claims of an invention obvious. Moreover, as mentioned above, the improper combination nevertheless fails to provide a teaching of the missing ABA approved bank

identification number presently claimed, and thus the Stimson and Taylor combination cannot act in support of the Examiner's obviousness rejection. Thus, it is respectfully submitted that claims 20-22, 24, 25, 29-31 and 66 are not obvious in light of the Stimson/Taylor combination, and the rejection on those grounds should be withdrawn, and notification of allowance of these claims issue forthwith.

Turning next to paragraph number 9, at page 8 of the Office Action, the Examiner has identified a combination of Stimson and Taylor as applied to certain unspecified claims. Notwithstanding the absence of specific claims against which the Stimson and Taylor combination is asserted, the undersigned contends that the arguments presented above in connection with Stimson and Taylor are applicable to each and every claim of the present application as presently amended, thus for the reasons above, the Stimson and Taylor combination is an improper one that even if made would not render any of the claims of the present invention obvious.

Finally, claims 58 and 59 stand rejected under 35 U.S.C. § 103 as being unpatentable over Stimson in view of Bertina. The undersigned contends that the discussions above in connection with Stimson, and the shortcomings thereof, are pertinent here and are detailed repetition of the discussion of Stimson need not be presented again. However, as the Examiner recognizes, Stimson fails to disclose a multifunction card system wherein the card is used as either an electronic gift certificate, a phone card, a loyalty card and/or a medical information card. The Examiner contends that Bertina discloses such a system but admittedly describes the Bertina system as being applicable to smart cards. As presented in an earlier Office Action response dated January 28, 1999, an important distinction of the present invention is that the cards contemplated by the present invention are specifically not smart cards, and thus one would not consider the Bertina reference as a suitable teaching for the features presently described and

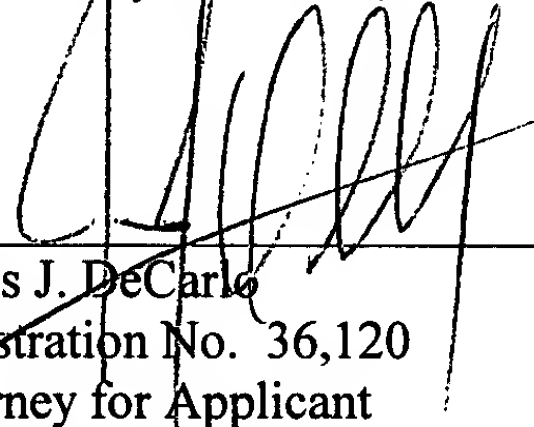
claimed in the present application. Thus Bertina is devoid of any teaching of the use of the Bertina system for anything other than a smart card. The Examiner contends, however, that Stimson teaches the ability to use both smart and dumb cards in the Stimson system for activating phone cards. Stimson however fails to teach or suggest that the Stimson cards may be used for anything other than phone card applications. Thus it is respectfully submitted that the combination urged by the Examiner is improper one, since neither Stimson nor Bertina provide the motivation for making the combination put forth by the Examiner. As mentioned above, absent a specific motivation within the references themselves for making the combination, such a combination is improper. For this reason, it is respectfully submitted that the Stimson/Bertina combination is not a proper combination and cannot act to render claims 58 and 59 obvious. Notwithstanding the above, however, even if such a combination were proper, which it is not, the Bertina/Stimson combination would still fail to render claims 58 and 59 in light of the amendment made to claim 57 from which they depend, which recites that the card contain an identification number comprising a bank identification number approved by the American Banking Association for use in a banking network. Such a feature is neither taught, described or suggested in either of the Bertina and Stimson references, and thus the improper combination of the two still fails to render the claims obvious. In light of the above, it is respectfully urged that the rejection of claims 58 and 59 under 35 U.S.C. § 103 be withdrawn, and notification of allowance of these claims issue forthwith.

Thus, in conclusion, in light of the amendments to the claims effectuated by the present amendment, and in light of the discussion above, it is respectfully submitted that claims 1-66 are presently in condition for allowance and early notification of the same is earnestly requested. The Examiner is urged to telephone the undersigned at 212-806-5742 to discuss this application

if in fact the Examiner believes that any of the claims as presently amended are not in condition allowance.

Any new or additional fees or charges in connection with this amendment should be charged to Deposit Account No. 19-4709 as necessary.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'James J. DeCarlo', is written over a horizontal line.

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